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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92056574
Party	Plaintiff Frank Clegg Leatherworks LLC
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Date	05/23/2014
Attachments	REPLY ISO Motion to Suspend Proceeding for Civil Action.5.21.14.pdf(38296 bytes ) FOR FILING 2014.05.22. Weinberg Declaration ISO Mtn to Suspend.pdf(12935 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE  
THE TRADEMARK TRIAL AND APPEAL BOARD**

In re Reg. No. 3872561

Frank Clegg Leatherworks LLC,

Petitioner,

v.

El Group, LLC,

Respondent.

Cancellation No. 92056574

**PETITIONER’S REPLY IN SUPPORT OF ITS MOTION TO SUSPEND PROCEEDING  
FOR CIVIL ACTION AND OPPOSITION TO RESPONDENT’S CROSS-MOTION TO  
DISMISS CANCELLATION PROCEEDING**

Petitioner Frank Clegg Leatherworks LLC (“Petitioner”) respectfully submits this Reply in support of its Motion to Suspend Proceedings for Civil Action (the “Motion to Suspend”), and hereby opposes Respondent El Group, LLC’s (“Respondent”) Opposition and Cross-Motion to Dismiss.

**INTRODUCTION**

There is no legitimate reason for Respondent’s request for a dismissal of this action. It would have been simple enough for Respondent to have stipulated to a suspension – that way, neither the Board’s nor Petitioner’s resources would have to be wasted. Respondent itself admits that “the issues between the Parties should be litigated in the State Court Action, and not simultaneously in this forum” and “respectfully requests that the Board suspend these proceedings until the issues before it are determined in the State Court Action.” (Dkt. No. 21.)

There can be only one reason that Respondent seeks a dismissal – to be able to state publicly that Frank Clegg’s case against it was dismissed by the Board. As the papers in this case and particularly in the State Court Action make clear, Respondent is actively seeking to harm the reputation of Petitioner and Frank Clegg, the individual whose name is at issue in these cases. If Respondent were to be able to go into the marketplace in which these parties compete and spread the word that the tribunal that oversees trademark disputes has dismissed the case brought by Frank Clegg to reclaim his name – namely, this Cancellation – the negative effect on Petitioner and Mr. Clegg could be devastating. There is absolutely no reason in the world why the Board should cater to this unfairly competitive strategy and to the tragedy that might follow. The Rules provide for suspension in cases like this, not dismissal. Accordingly, it is respectfully submitted that the Board should follow its own Rules and order suspension and not dismissal.

### **FACTUAL BACKGROUND**

Petitioner’s current counsel substituted into this proceeding on August 19, 2014, before any discovery had been taken by Petitioner or Respondent. (Dkt. No. 5.) A request to Respondent’s counsel for a short extension of the discovery period so that Petitioner’s new counsel could familiarize itself with the case, and so that both sides could take discovery was refused based on the claim that “too many resources have already been expended on this matter.” Declaration of Michael J. Salvatore in support of Petitioner’s Motion to Suspend for Civil Action (“Salvatore Decl.”), ¶ 2, Ex. A. (Dkt. No. 19.) After Petitioner’s Motion to Extend Discovery Period was granted, both Petitioner and Respondent served written discovery and noticed depositions of the parties’ respective principals, Frank Clegg and Joseph Lotuff. Salvatore Decl.,

¶ 3. During the scheduling of these depositions, which were to be held in Springfield, MA, on April 17-18, 2014, Petitioner's counsel told Respondent's counsel that because Petitioner's law firm is located in California, Petitioner wished to avoid the expense of having its counsel fly cross-country more than once to attend depositions. Salvatore Decl., ¶ 3, Ex. B. Respondent thereafter noticed three additional depositions for the following week, all on the East coast. Salvatore Decl., ¶ 4. Also during this time period, Petitioner became aware of the State Court Action filed by Respondent in Massachusetts. Salvatore Decl., ¶ 5, Ex. C. In order to avoid the prejudicial and duplicitous costs of needlessly litigating the same issues in both this proceeding and the State Court Action, Petitioner requested Respondent's consent to a suspension of this proceeding pending resolution of the State Court Action. Salvatore Decl., ¶ 6, Ex. D. Respondent declined to provide its consent without providing any reason whatsoever, forcing Petitioner to file its Motion to Suspend. Salvatore Decl., ¶ 7, Ex. E. (Dkt. No. 19.) Thereafter, Respondent served additional written discovery on Petitioner and improperly filed a Cross-Motion to Dismiss. (Dkt. No. 21.)

### **LEGAL ARGUMENT**

#### **A. Respondent Improperly Asserts That This Proceeding Should Be Dismissed Simply Because Respondent Filed An Action Relating To These Claims In Massachusetts State Court.**

37 CFR § 2.117(a) provides that: "whenever it shall come to the attention of the Trademark Trial and Appeal Board that a party or parties to a pending case are engaged in a civil action...which may have a bearing on the case, proceedings before the Board may be *suspended* until termination of the civil action" (emphasis added). Notably, this code section does not

include any statement indicating that the Board should *dismiss* such a case. Additionally, Respondent cites no authority—because none exists—indicating that it is entitled to have this Cancellation Proceeding dismissed simply because it initiated the State Court Action.

Respondent improperly interprets the language “*may* have a bearing” in the above statute by arguing in its Opposition that because the State Court Action *will* have a bearing, that the statute and supporting case law cited by Petitioner does not apply here. Respondent’s strained analysis is undercut by Respondent’s own request “that the Board suspend these proceedings until the issues before it are determined in the State Court Action.” Respondent’s claim is further undercut by the fact that in refusing to grant Petitioner its consent to the suspension of this proceeding, Respondent’s counsel stated that “[w]e do not agree with either the analysis or observations presented” in Petitioner’s counsel’s letter, which stated that “all of the issues in this cancellation proceeding will be decided” in the State Court Action. See Salvatore Decl., Ex. D-E. And of course they will be. Petitioner has this day removed the Respondent’s case from state court to a federal district court, and will be asserting a counter-claim for infringement against Respondent, in which one of the claims for relief will be cancellation of the registration at issue in this proceeding. Declaration of Steven M. Weinberg, ¶ . Thus, all of the issues, including the relief sought will be decided in the now federal action. This is the precise kind of factual situation that 37 CFR § 2.117(a) was designed to address.

Further, if Respondent’s argument were meritorious, any defendant involved in a proceeding before the Board would be able to file a related claim in a state court that would effectively result in dismissal of the Board proceeding, leaving such a defendant free to walk away from both proceedings at the Petitioner’s expense. Obviously and thankfully, this is not the law. Likewise, Respondent’s assertion that because its settlement discussions with

Petitioner's prior counsel (of which Petitioner's current counsel is unaware) were not fruitful, that Respondent is somehow entitled to dismissal of this action, is without merit. Once again, Respondent failed to cite any authority in support of this assertion. This is because a party is not entitled to dismissal of a legal action simply because its proposed settlement terms were not accepted.

**B. Petitioner Has Prosecuted Its Claims In This Action And Complied With The Board's Orders In This Proceeding.**

Respondent's red herring argument that Petitioner has failed to prosecute its claims or to comply with the Board's orders in this case are unavailing, and are undercut by Respondent's own inconsistencies and sharp litigation tactics. Petitioner's Motion to Extend Discovery was filed out of necessity when Respondent failed to grant Petitioner's reasonable request for an extension of the discovery period before any discovery had been taken by either party, and so that Petitioner's newly retained counsel could familiarize itself with this case. (Dkt. No. 7.) Significantly, after citing that "too many resources have already been expended on this matter" as its reason for not granting the request, Respondent went on to notice four depositions, serve extensive written discovery, file the State Court Action thereafter.

Likewise, this Motion to Suspend was also filed out of necessity when Respondent again refused to agree to Petitioner's reasonable request for a suspension of this proceeding, pending a decision in the State Court Action filed by Respondent. Respondent now "respectfully requests that the Board suspend these proceedings until the issues before it are determined in the State Court Action." These inconsistencies reflect Respondent's sharp litigation tactics, which are designed to drain Petitioner's limited resources, and should not be condoned by the Board.

Finally, Respondent has completely mischaracterized Petitioner's one-page Motion to Suspend Testimony Period (Dkt. No. 11.) as some sort of delay tactic, when in fact motions for summary judgment serve as an automatic stay of Board proceedings under 37 CFR § 2.127(d), and Petitioner's Motion to Suspend Testimony Period was merely filed out of an abundance of caution.

Respondent also improperly asserts that Petitioner has failed to comply with the Board's orders in this matter without referencing any such orders. The one case cited by Respondent on this issue is inapposite. In *Benedict v. Super Bakery, Inc.*, the Board entered a default judgment against a plaintiff who failed to comply with the Board's Order granting a Motion to Compel discovery and who subsequently filed a Motion for Summary Judgment in an attempt to subvert the Board's prior order. 665 F.3d 1263, 1265-66 (Fed. Cir. 2011). The facts of this case are a far cry from the *Benedict* case in that Petitioner has been forced to file this Motion to Suspend *seeking* the Board's order suspending this cancellation proceeding pursuant to 37 CFR § 2.117(a), pending the determination of the State Court Action filed by Respondent, which asserts analogous claims, and which will accordingly have a bearing on this case. Respondent cannot have it both ways, and its contradictory assertions regarding the resources it has expended in this matter and the bearing of the State Court Action on this proceeding reveal Respondent's true intentions, which are simply to try to drain the resources of Petitioner by improperly forcing it to litigate yet another unnecessary motion and to try to gain an unfair advantage in the marketplace by declaring that Frank Clegg's attempt to get back his name was dismissed by this honorable tribunal. It is respectfully submitted that this tribunal should not condone such tactics, but should instead issue a suspension order.

## **CONCLUSION**

Based on the foregoing, and on Petitioner's Motion to Suspend, Petitioner respectfully requests the Board to suspend the proceedings herein until the State Court Action is resolved.

Dated: May 23, 2014

Respectfully submitted,

HOLMES WEINBERG, PC

/Michael J. Salvatore/

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Attorneys for Petitioner, Frank Clegg

Leatherworks LLC



**CERTIFICATE OF SERVICE**

I hereby certify that on May 23, 2014, a true and correct copy of this PETITIONER'S REPLY IN SUPPORT OF ITS MOTION TO SUSPEND PROCEEDING FOR CIVIL ACTION AND OPPOSITION TO RESPONDENT'S CROSS-MOTION TO DISMISS CANCELLATION PROCEEDING was served by USPS Priority Mail to Respondent's counsel at the below address:

James C. Duda  
Bulkley, Richardson and Gelinas, LLP  
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P.O. Box 15507  
Springfield, MA 01115-5507

/Nelda Piper/  
Nelda Piper

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El Group, LLC,

Respondent.

**DECLARATION OF STEVEN M. WEINBERG**

I, Steven M. Weinberg, hereby declare as follows:

1. I am a counsel of record for Petitioner Frank Clegg Leatherworks LLC (“Petitioner”). I submit this declaration in support of Petitioner’s Motion to Suspend Proceeding for Civil Action. I have personal knowledge of the facts set forth herein and if called as a witness, I could and would testify competently thereto.

2. On May 23, 2014, pursuant to 28 U.S.C. §§ 1441 and 1446, Petitioner removed the action filed by Respondent in Massachusetts state court to the Federal District Court in Boston. Petitioner will be asserting against Respondent, among other claims, a claim for trademark infringement under Section 43(a) of the Lanham, seeking among other relief the cancellation of the registration at issue in this proceeding.

I declare under penalty of perjury, under the laws of the United States of America, that the foregoing is true and correct. Executed this 23rd day of May, 2014, at Malibu, California.

/Steven M. Weinberg/

Steven M. Weinberg